

**DELAWARE HEALTH FACILITIES AUTHORITY
MINUTES OF MEETING OF BOND COMMITTEE ON AUGUST 25, 2015**

BEEBE MEDICAL CENTER PROJECT, SERIES 2015A

Minutes of Meeting of Bond Committee with regard to the Beebe Medical Center, Inc. (the "Bond Committee") financing held on August 25, 2015, at the office of Potter Anderson & Corroon LLP, 1313 North Market Street, 6th Floor, Wilmington, Delaware:

The Bond Committee of the Delaware Health Facilities Authority (the "Authority"), consisting of Rolf F. Eriksen, the Chairman of the Authority, William G. Neaton, Vice Chairman of the Authority, and Desmond Baker, the Secretary of the Authority, convened at 1:00 p.m. on Tuesday, August 25, 2015. The Bond Committee was established by Resolution of the Authority, adopted June 16, 2015 (the "Authority's Resolution"), to approve the details of a revenue bond financing or refinancing for the benefit of Beebe Medical Center, Inc. (the "Hospital") as more fully described in the Authority's Resolution.

Also participating in the meeting were Emily Abrantes of Public Financial Management, Inc., the Authority's Financial Advisor (by telephone); John J. Quinn, III, Esq. of Potter Anderson & Corroon LLP, the Authority's Counsel; Emilie R. Ninan, Esq. of Ballard Spahr LLP, Bond Counsel; Paul Pernice, Chief Financial Officer, representing the Hospital (by telephone); Michael I. Davidson, Esq. of Fineman, Krekstein & Harris, P.C., Borrower's Counsel (by telephone); John Cheney and Donald Persinski of Ponder & Co., the Hospital's Financial Advisor (by telephone); Eugene Valentino, of Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), representing Underwriters Merrill Lynch and M&T Securities, Inc. ("M&T" and together with Merrill Lynch, the "Underwriters") (by telephone).

The meeting was duly noticed and open to the public. No members of the public were in attendance.

Mr. Eriksen officially called the meeting to order at 1:12 p.m., and invited Mr. Valentino to present the sale proposal for the Series 2015A Bonds (hereinafter defined).

Mr. Valentino described the proposal and brought the following details to attention: recent days' fluctuations in the fixed income market in reaction to China central bank activity; the consideration of these changes and the recommendation to proceed to market with the proposed Series 2015A Bonds; and the better performance on the front end for the proposed Series 2015A Bonds, but weaker performance in years 10 and beyond. Mr. Valentino reported that, in the aggregate, the proposed Series 2015A Bonds represent a \$1,526,000 net present value savings for the Hospital, or 8.6% of par, which was an improvement over the prior evening's expectations. In closing, Mr. Valentino requested the Bond Committee to approve the 2015A Bond Purchase Agreement to be dated August 25, 2015, pursuant to which the Underwriters will purchase the Series 2015A Bonds (the "2015A Bond Purchase Agreement").

At the invitation of Mr. Eriksen, Ms. Abrantes noted the volatile bond markets in recent days and the resultant restructuring of some of the bond couponing. Ms. Abrantes reported that the resultant pricing was appropriate for these bonds and advised the Bond Committee of the

following: the aggregate principal amount of the Series 2015A Bonds (\$15,820,000) does not exceed the maximum amount of \$20,000,000 previously approved by the Authority; (ii) the maturity date does not exceed 50 years; (iii) the Underwriters' discount on the sales of the Series 2015A Bonds (\$7.00 plus \$0.70 fee) does not exceed \$8.00 per bond previously approved by the Authority; and (iv) the minimum denomination of the Series 2015A Bonds is \$5,000; and further, in summary, that the terms of the Underwriters' proposal with respect to the Series 2015A Bonds comply with the limitations set forth in clauses (i) - (iii) of Section 5(b) of the Authority's Resolution, all of which were conditions of the Authority's Resolution. At the conclusion of her report, Ms. Abrantes recommended that the Bond Committee approve the Underwriters' proposal.

Mr. Eriksen asked whether the Hospital was satisfied with the interest rates on the Series 2015A Bonds. Mr. Pernice stated that the Hospital was extremely satisfied.

After further discussion, Mr. Quinn advised that the proposal was within the parameters established by the Authority's Resolution.

At Mr. Eriksen's request, Mr. Quinn then presented the following Resolution to the Bond Committee for its consideration:

RESOLVED THAT:

1. The Authority shall issue, and the Bond Committee hereby approves the Authority's issuance of, the Delaware Health Facilities Authority Refunding Revenue Bonds (Beebe Medical Center Project) Series 2015A in the aggregate principal amount of \$15,820,000 (the "Series 2015A Bonds") pursuant to the Supplemental Indenture No. 6 dated as of September 1, 2015 (the "Indenture") between the Authority and The Bank of New York Mellon Trust Company, as trustee, which supplements the Trust Indenture dated as of April 1, 1990 between the Authority and Chase Bank USA, National Association as previously amended and supplemented.

2. The Authority shall lend the proceeds of the Series 2015A Bonds to the Hospital pursuant to the Seventh Supplemental Loan, Mortgage and Security Agreement dated as of September 1, 2015 between the Authority and the Hospital (the "Loan Agreement") which supplements the Loan, Mortgage and Security Agreement dated as of April 1, 1990 between the Authority and the Hospital, as previously amended and supplemented, for the purposes described in the Authority Resolution.

3. The Underwriters shall purchase the Series 2015A Bonds pursuant to the 2015A Bond Purchase Agreement between the Underwriters and the Authority dated August 25, 2015.

4. The final maturity of the Series 2015A Bonds on June 1, 2030 is within fifty (50) years of the date of issuance. The maturity schedule with interest rates of, and the purchase prices ("Price") for, the Series 2015A Bonds is set forth in Exhibit A. The Net Proceeds for the Series 2015A Bonds is \$16,085,410.00 (or 101.677686% of par value).

5. The Bond Committee hereby approves the following documents which are hereby authorized to be executed and delivered by the Authority in such form as the signers thereof shall approve to carry out the intent of this Resolution: the 2015A Bond Purchase Agreement; the

Indenture; the Series 2015A Bonds and certificates representing the Series 2015A Bonds; the Loan Agreement; the Confirmatory Assignment of Loan, Mortgage and Security Agreement dated as of September 1, 2015; an Official Statement dated August 25, 2015 relating to the Series 2015A Bonds, which shall be substantially in the form of the Preliminary Official Statement with respect to the Series 2015A Bonds dated August 14, 2015, made available to this Bond Committee prior to and as of commencement of this meeting (the "Preliminary Official Statement"), with such changes as are necessary to reflect the Pricing Terms contained in the 2015A Bond Purchase Agreement and such other changes as the Chair or other officer of the Authority executing the same shall approve (the "Official Statement"), which approval shall be conclusively evidenced by such officer's execution of the Official Statement; and, after taking under consideration the advice of the Authority's Counsel and having determined its advisability, a Tax Compliance Certificate of the Authority and the Hospital applicable to the Series 2015A Bonds; and the Bond Committee further approves and ratifies the distribution by the Underwriters of the Preliminary Official Statement to prospective purchasers of the Series 2015A Bonds.

6. The Bond Committee hereby acknowledges and approves the following document to be executed by parties other than the Authority in connection with the issuance of the Series 2015A Bonds: a Continuing Disclosure Agreement of the Hospital relating to the Series 2015A Bonds, substantially in the form presented to the Bond Committee at this meeting with such changes as the Chairman or Vice Chairman of the Authority may agree to after taking under consideration the advice of the Authority's Counsel.

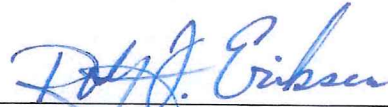
7. The Chairman, the Vice Chairman and all other officers of the Authority, or any of them, are authorized to execute and deliver any of the foregoing instruments as well as any other instruments or certificates required to accomplish the intent of this Resolution.

After further discussion, the Resolution was moved by Mr. Neaton, seconded by Mr. Baker, and unanimously approved by the Bond Committee.

There being no further business to come before the meeting, the meeting was adjourned at 1:26 p.m.

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I, Rolf F. Eriksen, hereby certify that the foregoing is a true and correct copy of the Minutes of a meeting of the Bond Committee of the Delaware Health Facilities Authority held on August 25, 2015.



Rolf F. Eriksen
Chairman

EXHIBIT A
BOND PRICING
Series 2015A

BOND PRICING

Delaware Health Facilities Authority
Beebe Medical Center
Refunding Revenue Bonds, Series 2015A
Verbal Award Numbers

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Premium (-Discount)
Serial Bonds:							
	06/01/2016	1,030,000	3.000%	1.090%	101.411		14,533.30
	06/01/2017	830,000	3.000%	1.560%	102.467		20,476.10
	06/01/2018	850,000	4.000%	1.940%	105.477		46,554.50
	06/01/2019	885,000	4.000%	2.220%	106.359		56,277.15
	06/01/2020	925,000	5.000%	2.540%	110.926		101,065.50
	06/01/2021	970,000	3.000%	2.860%	100.734		7,119.80
	06/01/2022	995,000	3.000%	3.110%	99.332		-6,646.60
	06/01/2023	1,025,000	3.000%	3.270%	98.162		-18,839.50
	06/01/2024	1,060,000	3.250%	3.430%	98.646		-14,352.40
	06/01/2025	1,090,000	3.500%	3.590%	99.261		-8,055.10
	06/01/2026	1,130,000	5.000%	3.710%	110.462 C	3.804%	118,220.60
	06/01/2027	1,185,000	3.750%	3.900%	98.592		-16,684.80
	06/01/2028	1,230,000	4.000%	4.000%	100.000		
	06/01/2029	1,280,000	4.000%	4.110%	98.848		-14,745.60
	06/01/2030	1,335,000	5.000%	4.040%	107.663 C	4.293%	102,301.05
15,820,000							387,224.00

Dated Date 09/03/2015
Delivery Date 09/03/2015
First Coupon 12/01/2015

Par Amount 15,820,000.00
Premium 387,224.00

Production 16,207,224.00 102.447686%
Underwriter's Discount -121,814.00 -0.770000%

Purchase Price 16,085,410.00 101.677686%
Accrued Interest

Net Proceeds 16,085,410.00